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Former Jersey City Housing Department Employee Indicted for Allegedly Accepting \$50,000 in Corrupt Payments

(More)

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NEWARK – A former Jersey City Housing Department employee was indicted today on charges in connection with his acceptance of \$50,000 in corrupt cash payments in exchange for his official influence and assistance on real estate development matters in Jersey City, U.S. Attorney Paul J. Fishman announced.

The Indictment charges that John Guarini, 60, a Jersey City Housing Department property improvement field representative, conspired with Michael Altman, 39, of Monsey, N.Y., and Maher Khalil, 39, Jersey City, to extort cash payments from a government cooperating witness (CW) with the promise that Guarini would help the CW obtain real estate development approvals in Jersey City. The Indictment also alleges that Guarini attempted to commit extortion and bribery by accepting from the CW cash bribe payments of approximately \$20,000 from in 2007, and approximately \$30,000 in 2008.

The Indictment stems from an undercover FBI political corruption and international money laundering investigation that became public on July 23, 2009. Guarini, Khalil and Altman were all charged in criminal Complaints on that day. Khalil has already pleaded guilty to taking bribes from the CW for himself, and for facilitating bribes and illicit campaign contributions to public officials and political figures.

Guarini will appear in federal court for arraignment on the Indictment after the case is assigned to a U.S. District Judge.

According to the Indictment, Guarini first met the CW on July 11, 2007, after Altman arranged a meeting in the boiler room of a building owned by Altman. At that meeting, Guarini accepted two envelopes, each containing \$10,000 cash, in exchange for Guarini's official assistance in obtaining development approvals on a property located on Garfield Avenue in Jersey City. The Indictment further states that, after accepting payment, Guarini stated "everything looks good here" to create the appearance that he conducted a proper inspection and to conceal the corrupt transaction. Other meetings followed where Guarini accepted corrupt cash payments in consideration for his continued assistance on the Garfield Property, according to the Indictment. The payments were: \$10,000 in cash in an envelope at a diner in Bayonne on March 26, 2008; an additional \$10,000 cash in an envelope, later on March 26, that was accepted by Guarini and to be given to Khalil; and \$10,000 cash in an envelope at a tavern in Jersey City on April 10, 2008.

According to the Indictment, during a meeting on March 16, 2008, Guarini touted his influence over the development approval process and reassured the CW that the CW would obtain development approvals by stating, "with me, it's a guaranteed yes." Also, after accepting a \$10,000 payment on April 10, 2008, Guarini reiterated his importance to the approval process by advising the CW, "you're gonna need me for everything." On April 10, Guarini advised the CW that he had given the \$10,000 payment from March 26 to Khalil, as represented by Guarini. However, at a meeting on May 8, 2008, Khalil stated that Guarini had never given him the \$10,000 payment.

The Indictment charges Guarini with one count of conspiracy to obstruct commerce by extortion under color of official right, which carries a maximum statutory penalty of 20 years in prison and

a \$250,000 fine; four counts of attempted obstruction of commerce by extortion, each of which also carry a maximum of 20 years in prison and a \$250,000 fine; four counts of bribery, each of which carry a maximum statutory penalty of 10 years in prison and a \$250,000 fine; and one count each of aiding and assisting the preparation and presentation of a false and fraudulent tax return, and willfully subscribing to a false and fraudulent tax return, each carry a maximum penalty of 3 years in prison and a fine up to \$100,000. There also is a forfeiture count in which the government seeks return of the \$50,000 in corrupt payments taken by Guarini.

Fishman credited Special Agents of the FBI, under the direction of Acting Special Agent in Charge Kevin B. Cruise, and the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation of Guarini. Fishman also thanked the Monmouth County Prosecutor's Office, under the direction of Prosecutor Luis A. Valentin, for their assistance in the investigation.

The government is represented by Assistant U.S. Attorney Christopher J. Gramiccioni of the U.S. Attorney's Office Special Prosecutions Division.

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Defense counsel: W. Scott Murphy, Esq. West New York